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TAGS: [ECON](#) [EAID](#) [PREL](#) [IZ](#) [JO](#)

SUBJECT: TFI01: ZARQA BUSINESS COMMUNITY PONDER'S IRAQ'S  
FUTURE

Classified By: DCM Greg Berry, reasons 1.5 (b,d)

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SUMMARY  
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1. (c) Business community leaders in Zarqa, Jordan's industrial center, are hopeful that a post-war Iraq will open numerous new business opportunities for Jordanian companies. They fear, though, that Iraq's diverse social structure makes the country vulnerable to collapse into internecine warfare as soon as coalition troops vacate. While their political musings are typical of the overall Jordanian gloom about the politics of Iraq, their optimism about economic prospects puts them - along with much of Jordan's business community - at odds with the "street" regarding Iraq's potential future. End summary.

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IRAQ - BUSINESS PROSPECTS GOOD...  
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2. (c) A March 19 meeting with the board of the Zarqa Chamber of Industry, a relatively progressive collection of business leaders in Jordan's second city, quickly morphed into a spirited discussion about Iraq and internal politics in Jordan. While not doubting that the coalition would ultimately be successful in ousting Saddam from Iraq, ZCI Chairman Mohammed al Tell and other board members were apprehensive at the possible shape of a post-Saddam Iraq. Tell spoke at length about the uncertainties that would continue to cloud the future of Iraq and Jordan's relationship with it.

3. (c) On the economic side, Tell and board vice-chairman Thabet al Wir acknowledged that there would likely be opportunities in both the short and long term for Jordanian companies. Initially, this would come through contracts with relief agencies in providing food and medicines to Iraq. They noted the transport sector would ultimately benefit as well, as Aqaba's historical position as a primary port for Iraq returned to normal after over a decade of sanctions. They admitted, though, that Jordanian companies had not made any plans to re-enter the market, and were waiting instead to see what opportunities came to them from the donor community.

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...PROVIDED THE COUNTRY STAYS INTACT  
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4. (c) They conditioned this assessment, though, upon a quick end to the war and the immediate creation of a viable, sustainable government of, by, and for Iraqis. Their greatest fear, they said, was a total breakdown in civil order in the absence of Saddam's apparatus of repression. A gap of even a week, they said, between the fall of Saddam's regime and the establishment of a legitimate successor government that represented the fractious interests of all Iraqis, could easily lead to revenge killings and, if left unchecked, ultimately to a complete breakdown in civil order.

5. (c) They saw Iraq as riven by a vast multitude of social divisions - ethnic divisions between Kurds, Arabs, Turks, Causasians, and others; religious divisions between Shia, Sunnis, Christians, and smaller groupings of faiths; political gradations among Saddam hardliners, Baathist apparatchiks, dissidents and liberals; and socio-economic divisions between urban rich and poor, between rural tribes and city-dwellers, and between middle/upper class diaspora and an economically depressed resident population. Many of these fault lines are further reinforced by geographical divisions, and any or all could become flash points in the absence of strong authority following the economic damage brought by war.

6. (c) The key to avoiding such a dissolution into chaos, the Chamber leaders contended, would be a short, successful war followed by a swift pull-out of foreign troops coupled with the installation of an internally legitimized central authority strong - or savvy - enough to keep these groups from tearing at one another. A critical tool for such an authority would be immediate infusions of aid to feed and house Iraqis and to quickly pump money into the local economy

through reconstruction projects.

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COMMENT  
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17. (c) The Chamber's analysis of a post-Saddam Iraq predates the onset of hostilities, but nevertheless presents a sobering Jordanian assessment of likely post-war challenges. In this typical discussion of Jordanian anxieties, it was easy to elicit opinions about what will tear Iraq apart. It proved far more difficult to explore factors that might serve to hold Iraq together - urbanization, a historically strong middle class, an educated population, a supportive diaspora, and a relatively strong resource and industry base. Yet, as dark an assessment as the Chamber had about political challenges, they - like a good percentage of Jordan's business community - continue to be more positive than the "street" about the prospects for quick economic benefits born of relief and reconstruction activities.  
GNEHM